



The Joint Equity Co-ownership Bond

Issued by JEIP No 1 LLP
Due 2040

16th October 2015

Background

JEIP No 1 LLP (JEIP) is offering the opportunity to investors to subscribe for a Joint Equity Co-ownership Bond (the Bond).

The Bond gives investors an opportunity to earn a rate of interest higher than is generally available for cash deposits in the UK whilst also sharing in capital growth calculated by reference to inflation in the housing market during the life of the Bond. Please be aware that bonds are a higher risk investment than cash deposits and the Financial Services Compensation Scheme does not cover defaults on payments due under the bond.

Investment also helps people live in their own home and to get on the housing ladder.

Prospective investors should note that their capital is at risk. Investors should read the risk factors set out on pages 8 to 9 in full before making any investment decision.

In the event that you are in any doubt about any aspect of this investment you should seek independent advice from an accountant or other adviser authorised by the Financial Conduct Authority to provide investment advice in the UK.

Introduction to Joint Equity Co-ownership

JEIP's business model is to invest in houses and flats in the UK (but excluding Scotland and Northern Ireland and Greater London) through a joint equity co-ownership structure.

Joint Equity Co-ownership is an ownership structure which allows homeowners to buy the house they want with half the money they would normally need allowing people to get on the housing ladder earlier and thus in turn helps to ease the housing shortage.

Unlike rented property, the annual costs of the co-ownership is known and fixed, so there are no nasty surprises for the tenant.

Houses and flats are owned 50:50 by the investor (in this case JEIP) and the occupier (the Resident Partner). The Resident Partner pays a set annual fee to JEIP under the Joint Equity Partners Co-ownership Deed.

Unlike buy to let, the Resident Partner has a stake in the property and thus has a vested interest in keeping the asset well maintained and may spend money improving the asset. As co-owner they are also much less likely to default on their annual fee payments.

There are no voids, no high management fees, limited costs of repair and maintenance and no costs of decorating or replacing fixtures and fittings.

The Bonds

Throughout the life of the Bond the Bondholder receives a quarterly interest payment on the sum invested rising from an initial 4.5% pa rising by 0.5% every 5 years to 6.5% pa at the end of the Bond. This results in an average interest rate of approximately 5.5% over the entire life of the Bond.

In addition to interest, in the event that there is house price inflation in England (outside London) during the term of the Bond, the principal invested by Bondholders will also be increased by a quarter of the percentage of such increase (based on the Halifax House Price Index) when the Bond is repaid.

For full details of the terms of the Bond please see pages 3 to 4. You should also read the Bond Instrument in full before investing. This is available upon request from JEIP.

The UK housing market

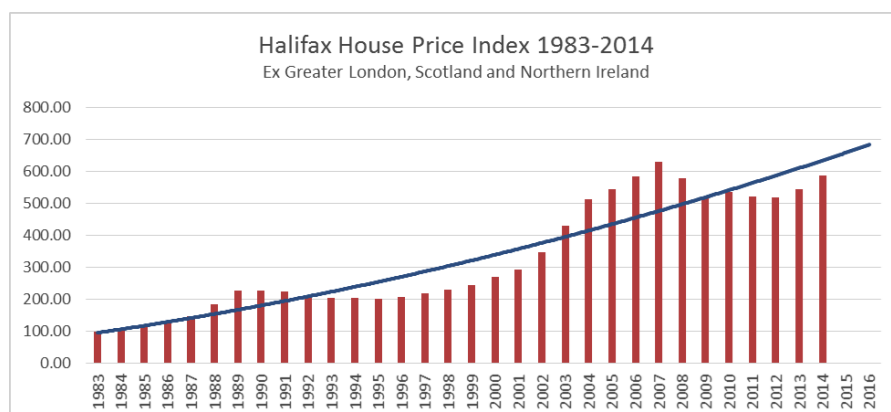
Over the last 32 years, the Halifax house price index has shown the following growth pattern [red] for this subset of the UK market which averages over 6% per annum [blue] (although past performance is not a reliable indicator of future performance and the index has shown decreases as well as increases over significant periods). See table below.

Investor Eligibility

This document is issued by JEIP and has been approved as a financial promotion by Ingman Capital Partners Limited for the purposes of section 21 of the Financial Services and Markets Act 2000. Ingman Capital Partners Limited is authorised and regulated by the Financial

Conduct Authority under firm reference number 542139. Ingman Capital Partners Limited has only approved the document for communication to the following categories of investor:

- (i) a **restricted investor**, being a person who is an individual who has signed, within a period of twelve months, a statement confirming that in the preceding twelve months, they have not invested more than 10% of their net assets in non-readily realisable securities and undertaking that in the twelve months following the date below, will not invest more than 10% of their net assets in non-readily realisable securities;
- (ii) a **certified high net worth individual** within the meaning of rule 4.12.6 of the FCA's Conduct of Business Sourcebook (this would include an investor who certifies that, for the previous financial year he had an annual income of £100,000 or more or net assets to the value of £250,000 or more (excluding primary residence, pensions and life insurance policies));
- (iii) a **self-certified sophisticated investor** within the meaning of rule 4.12.8 of the FCA's Conduct of Business Sourcebook (this would include an investor who certifies that he is a member of a business angels network



or has in the last two years made at least one investment in an unlisted company, worked in the private equity or finance sectors or been a director of a company with an annual turnover of at least £1 million);

Ingman Capital Partners must have assessed the bond as being appropriate for investors falling in categories (i) to (iii) above in light of their investment knowledge and understanding,

- (iv) a **professional investor** within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, including a person who has professional experience in matters relating to investments; or
- (v) an **advised client**, meaning a person who is the client of a firm that is authorised by the Financial Conduct Authority or the appointed representative of such a firm and has assessed investment in the bond to be suitable for the investor in light of their personal circumstances.

If you do not fall within one of the above categories of investor, you should not rely on this communication and you will not be eligible to invest. Onward distribution of this document to any other category of person is not authorised and may constitute a criminal offence.

If you are in any doubt about the investment to which this document relates, you should consult an authorised person specialising in advising on unlisted securities.

Joint Equity Co-ownership Structure

The Joint Equity structure is designed to assist people in buying their own home. This may be first time buyers who cannot save the full deposit needed or get a large enough mortgage for the house they want. It may be for divorced or separated individuals who need to find a new home, or it may be retired renters who have capital but not enough to own a house outright but who do not want to pay rent for their entire retirement.

Central London assets will not be the target but smaller affordable property around the country.

The basic structure is very simple: JEIP will jointly buy property with the Resident Partner, using the tried and tested Joint Equity Partners Contract Deed.

If the Resident Partner has the capital, the deal is simple. On a £140,000 purchase, JEIP would put up £70,000 and the Resident Partner would put up £70,000 to buy the asset.

If the Resident Partner needs a mortgage, then they simply borrow up to 90% of their share (i.e. up to 45% of the total price) with the remainder being the Resident Partner's deposit.

Joint Equity will assist the Resident Partner with their mortgage application, purchase of the asset and all other legal steps that are needed. With Joint Equity's experience and contacts they can take away a lot of the daunting hurdles some first time buyers encounter.

Joint Equity will be setting up a series of investment partnerships, with the first being known as JEIP No 1 LLP (being the LLP which is offering the Bond pursuant to this document).

JEIP is offering Bonds to long term lenders pursuant to this document and will use the funds raised under the Bonds to purchase the half of each property, thus [securing] those loans with real assets and pre agreed long term income.

JEIP benefit s from any house price rises due to its 50% ownership and throughout the hold period of the asset, the Resident Partner pays a monthly fee to JEIP1 under the terms of the Partners Contract. Bondholders should also benefit from any house price rises – see page 3 which sets out the terms of the Bonds.

These payments rise over time but in fixed and manageable steps, unlike renting where rents can rise faster than the occupier's ability to pay.

Definitions

Bond - means the bond being offered by JEIP pursuant to this document, on the terms of the Bond Instrument.

Bond Instrument- means the bond instrument to be entered into by JEIP issuing the Bond (the form of which is available to prospective investors on request from JEIP).

Designated Members - means the designated members of JEIP, being Philip Ingman and Bradley Bamfield (equivalent to the directors of a company).

FCA - means the Financial Conduct Authority.

First Closing Date - means 15th April 2016.

Final Closing Date - means the earlier of six months after the date that the Minimum Threshold Amount has been reached or the date when the Target Amount has been received.

HPI - means the standardised average price of a UK house (excluding Greater London, Scotland and Northern Ireland) as seasonally adjusted by the Halifax House Price Index, being the index issued by the Halifax building society,

or if they cease to publish this index, a suitable equivalent alternative index of UK house prices (as further defined in the Bond Instrument).

ICP - means Ingman Capital Partners Ltd, the FCA authorised manager who has approved this document as a financial promotion.

JEIP - means JEIP No 1 LLP, a limited liability partnership, incorporated in England with registration number OC401382, whose registered office is at 128 Buckingham Palace Road, London SW1W 9SA. This is the special purpose vehicle which issues the Bonds and owns the half shares in each of the assets.

Joint Equity - means Joint Equity Ltd, a private limited company, incorporated in England with registration number 04915890, whose registered office is at 17 Hanbury Close, Cheshunt, Hertfordshire, EN8 9BZ. This is the entity which approves the Resident Partner and property and recommends acquisition by JEIP No 1 LLP. Joint Equity also manages the ongoing relationship between JEIP and the Resident Partners. JE will collect the occupier payments deal with any defaults, repair issues, insurance, disposals or changes.

Joint Equity Partners Co-ownership Deed

- means the agreement between JEIP and the Resident Partner which sets out the respective rights and obligations of JEIP and the Resident Partner in relation to the jointly owned property, including the obligation on the Resident Partner to pay an annual fee. The form of agreement which is expected to be used can be obtained from JEIP upon request.

Minimum Threshold Amount - means the minimum amount required to issue the Bonds, being £1,000,000.

Offer Document - means this document.

Resident Partner - means the co-owner of the asset who will own 50% of the house they live in.

RoI - means return on investment.

How the Bond works

Bonds are a type of loan made by the Bondholder to JEIP. Save with the consent of JEIP, they are not transferable during the initial three years, however, after that period, there is no restriction on transfer which means that, if you can find a buyer, you can sell them to realise value. JEIP will provide a free-to-use Bulletin Board parties can express an interest in buying or selling Bonds and will also publish an indicative value of the Bond throughout their life on a quarterly basis. However, JEIP does not guarantee that there will be any parties interested in buying a Bond and instruments of this

nature are not typically liquid. You should not therefore assume that you will be able to sell your Bond at market value, or at all.

Interest is payable on a quarterly basis for the lifetime of the Bond (25 years, subject to a possible additional 2 year extension). The rate of interest increases every fifth year.

Your Cash Return is payable by JEIP and paid quarterly in equal instalments based on an initial rate of 4.5% per annum rising in line with the chart opposite.

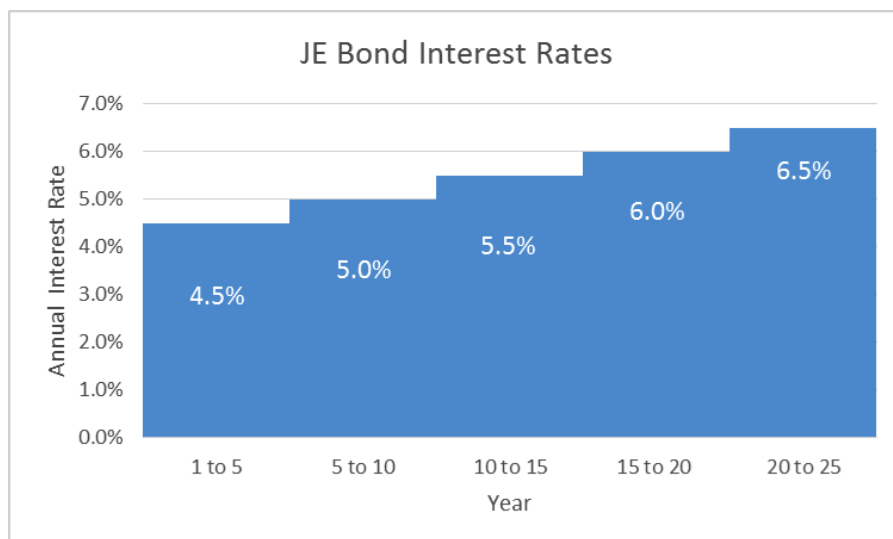
In addition to interest on the Bond, on maturity the principal will be increased by a proportion calculated as being 25% of the increase in HPI during the lifetime of the Bond, meaning that Bondholders get to benefit from any increase in the general values of properties in the UK (excluding London, Scotland and Northern Ireland) during the lifetime of the Bond.

Based on a projected increase in the HPI of 6% per annum (which rate is taken purely for illustrative purposes – it is not possible to reliably predict the HPI rate), compounding over the life of the Bond, if we consider that capital return in addition to the income return, the total return to Bondholders looks like the following.

Please note that the amount of principal is only increased by HPI on the maturity or redemption of the Bond, not on an ongoing basis, so that the amount of interest paid is calculated on the original amount invested for the lifetime of the Bond (not the increased amount).

The Rol illustration below does not take into account any third party costs you may incur in investing, such as IFA fees (if relevant) or personal taxes.

JEIP will pay up to £105,000 (subject to possible reductions) to ICP as a promoter fee. ICP will cover third party costs, such as legal fees incurred in connection with



the Bond issuance.

In the event that we raise more funds under the Bond No 1 than can be deployed to purchase assets, that excess capital will either be returned to investors or invested in the next Bond to be issued.

Once the Minimum Threshold Amount of £1,000,000 has been raised from investors, those proceeds (together with any proceeds raised over that threshold) will go to purchase 50% shares in a portfolio of residential properties all held in co-ownership with the occupiers. It is envisaged that JEIP will hold approximately 50 assets giving a spread of risk in terms of occupier and location.

Properties will have a maximum value of £250,000 and currently the average value is approximately £150,000. The JEIP investment is therefore £125,000 and £75,000 respectively.

There is a robust and structured property and Resident Partner approval process for each property that JEIP buys.

JEIP also contracts to retain any cash received from sales or refinance within the

LLP which would be used to make early redemptions. Thus JEIP may if it is felt appropriate and does not add substantially to the risk profile, charge some or all of the assets held to third parties.

Bondholders can however use their own bonds as collateral and thus may be able to charge their bond to a bank or other lender.

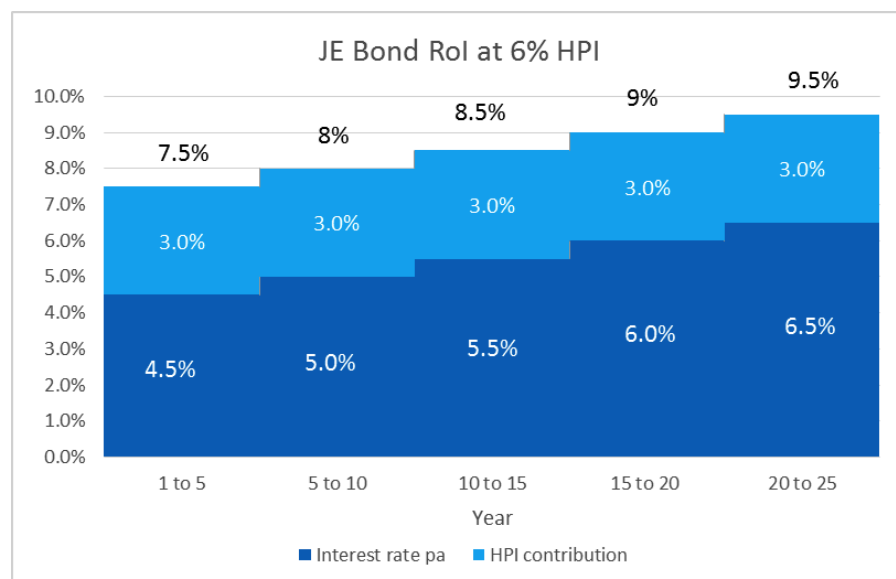
It is important to understand the risks which are involved in any investment or project

We cannot set out all the risks that may be involved in an investment in the Bonds. You should consider whether the Bonds are a suitable investment for you in the light of your own personal circumstances and take advice as necessary. These are some of the risks that may be involved – remember there is no guarantee that you will receive any cash return or that your capital (i.e. the money you have lent under the Bond) will be returned.

Things you need to know about the investment:

Bonds are unsecured obligations of Joint Equity Investment Partnership LLP. Although we are obliged under the terms of the Bond to repay holders of Bonds the money owing to them and notwithstanding that we will do what we can to ensure this does happen, there is no certainty that you will receive the whole or any part of the expected money if, for any reason outside of our reasonable control, there is insufficient cash to make those payments at the end of the investment period. The money raised through the Bond is however invested in real assets.

Bonds are designed to be long-term investments and it may not be easy to sell them quickly or sell them at their original value. Therefore, you should



consider what is the right amount for you, given your own circumstances. There is no regulated marketplace for the Bonds and, therefore, the options to sell Bonds are limited as we cannot guarantee you will be able to find a buyer for your Bond at all. JEIP provides a Bulletin Board where each Bond issued will have an indicative quarterly pricing and where you can find potential buyers. JEIP will assist in matching buyers with sellers but will not itself be involved in any negotiation of price not in any transaction. However, if you need to sell your Bonds in a hurry or, for whatever reason, you are unable to find an investor to purchase your Bonds for the original amount that you paid, you may not get all of your original investment back.

Bonds are not covered by the Financial Services Compensation Scheme (FSCS) or the Financial Ombudsman Service (FOS) – this means if we do not fulfil the terms of the Bond there is no right to complain to FOS or to get compensation from FSCS.

Estimates and Projections

Where we have made estimates or projections of our anticipated revenues, costs, or inflation these are based on our current beliefs and assumptions at the date of this Offer Document. As income from the Resident Partners is fixed for the entire 25 year life of the Bond and interest payments on the Bonds are also fixed at the outset, the only variable is the likely increase (or potential decrease) in the value of the underlying housing stock.

These statements may involve known or unknown risks, uncertainties and other important factors which could cause our actual results, performance or achievements to differ from those we expect.

In particular, while we believe that any predictions or forecasts we give are reasonable and based on reasonable assumptions supported by objective data, they may be affected by risks and other factors not set out in this document and therefore are not reliable indicators of future performance.

Whilst we have taken reasonable steps to summarise the investment characteristics, there can be no guarantee:

- that we have correctly measured or identified all of the factors affecting the asset and its revenues or their likely impact
- that publicly available information relating to the factors on which our analysis is based is complete or

accurate

- that our analysis is correct; or
- that our business (and the Project) which is based on this analysis, will be successful.

Government policy

There may be changes in laws, regulation or government policy which might impact an investment in the Bonds or the rights of holders to them. These may include, for example:

- Changes to the rules on co-ownership of residential property and how Resident partners can pay Non Resident Partners.
- Changes to tax law which might affect us or make it less advantageous for you to hold the Bonds.
- Regulatory issues which might entail expenditure, costs or operational restrictions which we have not foreseen.
- Changes to the basis on which the HPI is calculated.

Also, an investment in the Bonds may be affected by general economic circumstances which may lead to increases in costs or unforeseen expenditure.

The level of housing value growth

We have assumed an HPI of 6% per annum over the life of the Bonds in line with and based upon forecasts for the next 5 years produced by Savills, JLL, Cambridge Economics and RICS, 'The long-run performance of HPI over the last 30 years has been between 6% per annum excluding London and 8% per annum including London.

Should the house price inflation rate be materially lower than expected for a period or there is deflation the value of the property may go down and so, our ability to repay Bond capital may be reduced. The property may also take a long time to sell or refinance and so there may be delays in repaying Bond capital as a result.

Although increasing over the past 32 years, the HPI has on occasion decreased over significant periods. The risk of HPI decrease becomes more likely if you do not hold the Bond for the full 25 year term.

In the event of a Resident Partner defaulting at a time when property prices have decreased, it may not be possible to sell the relevant property at a value that covers your capital costs and

expenses. Resident Partners are only required to contribute 5% equity and any bank borrowing will need to be repaid in priority to JEIP.

It should be noted that the HPI is a measure of the level of average house price inflation in the UK.

Resident Partner default

Ability to pay the interest on the Bond is clearly linked to the ability to continue to collect Resident Partner payments. If a substantial number of Resident Partners were to default around the same time, cashflow may be restricted for a short period which would affect the ability to pay the Bond interest.

Within the Joint Equity Partners Contract co-ownership deed, there are remedies for Joint Equity and the JEIP to handle such default.

Force majeure

There is always the possibility that an event could occur that is completely out of our control and completely unexpected. This includes events such as natural disasters or acts of terrorism.

Key personnel risk

Over the term of the Bond, key members of the JEIP team and the JE team may change which may impact our ability to perform our obligations. We have implemented a clear organisational structure and implemented a sharing of important duties and responsibilities between key staff and external resources to mitigate this risk.

Refinancing risk

Repayment of the bonds is dependent on the refinancing or sale of assets in the portfolio, which may not be achievable at the time of sale at the market price or at all. If the assets cannot be refinanced or sold then JEIP may not be able to repay the Bond on its maturity date.

Maturity uncertainty

The Bond maturity date may be extended by up to two years at the option of the Designated Members of JEIP.

The Bond may be repaid early by JEIP. In these circumstances, Bondholders may not be offered the choice whether or not their Bonds are repaid. Bondholders will only receive interest and any uplift in accordance with HPI up to the repayment date (i.e. there is no premium for early repayment). Accordingly, the life of the Bond may be much shorter than Bondholders anticipate.

Terms and how to subscribe

Issuer of the Bond: JEIP No 1 LLP.

Instrument: Bond – an unsecured debt obligation.

Target Amount: Up to £3,500,000 (approximately €5m equivalent).

Minimum subscription: £5,000 (and increments of £100)

Minimum Threshold Amount: Unless valid subscriptions for a total of at least £1,000,000 are reached on or before the First Closing Date, the Bond will not be issued and if you have applied for a subscription your cash will be returned to you via your JEIP account.

Opening Date for subscriptions: 16th October 2015

First Closing Date: 15th April 2015. In the event that the Minimum Threshold Amount has not been raised by this date, the Bond will not be issued and if you have applied for a subscription your cash will be returned to you via your JEIP account.

Final Closing Date for subscriptions: On the earlier of six months after the date that the Minimum Threshold Amount has been reached or the date when the Target Amount have been received. Subscriptions are made on the basis of “first come, first served” (as determined by the Designated Members, in their discretion).

Option to extend Final Closing Date: The Designated Members reserve the right to extend the offer period for up to 2 months.

Subscriptions: Subscriptions are made electronically at www.jeips.uk, see page 7 for details.

Interest: Payable quarterly, initially at the rate of 4.5% but stepping up after 5 years to 5%, after 10 years to 5.5%, after 15 years to 6%, after 20 years until the expiry of the Bond to 6.5%.

Repayment of original investment: At the end of the Bond JEIP intends either to refinance its 50% holdings in the portfolio of assets or possibly sell a proportion of those assets in order to repay the Bond. This activity is expected to commence well in advance of the Bond end date.

Repayment bonus: Upon expiry, JEIP will also pay the Bond holder at that date, a 25% share of the increase in aggregate value of the co-ownership share of the assets held based upon the HPI movement over the life of the Bond.

Maturity: 25 years from the Closing Date of the bond or earlier at the discretion of JEIP but no earlier than 10 years from the date of issuance. In the event of early repayment, Bondholders will receive interest and any repayment bonus up to the repayment date, but will not receive any premium for early repayment. The final maturity date may be extended, at the discretion of JEIP, by up to an additional two years. Interest remains payable during this extended period at 6.5% per annum.

Transferability: Transferable on your instructions to any eligible investor who is registered with JEIP.

ICP fees and JEIP costs: JEIP will pay ICP a promoter fee of up to £105,000 in respect of approving the promotion of the Bonds and verifying the legal integrity of the issuance (out of which ICP will cover third party costs, such as legal fees).

JEIP may pay annual staff costs of up to 0.5% of the original amount invested.

Your rate of return is calculated on the gross amount invested and does not take into account any other deductions, such as any charges you pay to an IFA (if relevant) and your own personal tax liability on that income.

Eligibility: The offer set out in this document is only open to UK resident investors aged 18 or over who satisfy the criteria set out on page 3 of this document. The Designated Members of JEIP shall be entitled to require such evidence of identity and other information they deem necessary to establish an investor's eligibility to invest, and shall be entitled to reject any application where they are under any doubt about an investor's eligibility.

Payment: In order that an application is valid, it must be accompanied by a cheque paid from an account with a UK clearing bank or electronic payment transferred from an account with a UK clearing bank in the name of the investor.

Return of funds: In the event that the Minimum Threshold Amount is not raised by the Initial Closing Date, all funds will be returned to investors. No interest will be paid on such amount.

How you subscribe

You subscribe by completing the subscription form for the bond. Money should be sent by cheque or electronically to the JEIP No1 LLP Trust account held at Coutts where it will be held until the Minimum Threshold Amount is reached.

JEIP will email you once the cash has arrived in our account. JEIP can then complete your subscription to buy Bonds if and when the minimum threshold is reached. If you subscribe, you acknowledge that:

- you have read and understood this Offer Document;
- all the relevant details of the Offer are set out in this Offer Document and the Bond deed and that no one else is authorised to make any other statements about the terms of the Offer or the Bonds;
- you are not relying on any statements other than those in this Offer Document or as approved by ICP; and
- that your holding of Bonds is subject to the Bond Terms and Conditions found at www.jeips.uk.

The offer will be closed on the Final Closing Date once valid subscriptions have been confirmed totalling the Target Amount or on 31 03 2016, whichever comes soonest, unless the option to extend the Final Closing Date is used.

Subscriptions will be taken on a first come, first served basis, as determined by the Designated Members. Your subscription will not be confirmed until the Minimum Threshold Amount has been reached. Once this has been reached, valid subscriptions will be confirmed as they are received.

How do I receive my initial interest?

Once the Minimum Threshold Amount is reached, all bondholder money held by JEIP will be released, and assets will start to be acquired. Your interest will accrue from that date at the agreed rate. Any interest accrued before that date, whilst the money is held in the deposit account will be added to your Bond value and not paid out.

Thereafter, it will be paid quarterly in arrears in March, June, September and December

Can I re-invest my initial interest?

Yes, once you have received a payment of initial interest, this can be used to subscribe for subsequent Bonds if the offer is still open, or to buy additional Bonds from other Bondholders if they are offering them for sale.

How do I receive my Cash Returns?

JEIP will distribute each Bondholder's interest proportionally to their holding of our Bonds and this payment will be made directly into your nominated bank account every quarter.

How are the Bonds treated for tax purposes?

The repayment of your original investment is not subject to tax.

The interest income is treated just like any other interest earned and must be declared for tax purposes. The repayment bonus linked to the HPI will attract capital gains tax at the prevailing rate. You should seek independent advice if you are not clear or have any questions.

How do I keep track of my Bonds?

JEIP will establish and maintain a website page where you will find all the information that you would expect in respect of your holding of Bonds plus a lot more. Once the Bond closes you can find the following documents in the Admin section of your account: a copy of this Offer Document and, in time, a history of our annual reports and accounts as well as any tax statement relating to your holding of the Bonds. JEIP will also publish a quarterly indicative value of each Bond and within your own account page that indicative value will be applied to your holding in each Bond.

The statement of your Bond represents your electronic confirmation and certificate of ownership.

You can also download a statement of your Bond holdings under the Admin section. On the JEIP website you can also get updates on any specific activity within each portfolio of assets, such as sales and reinvestment.

Can I hold the Bond in an ISA or a SIPP?

Bonds are not currently eligible to be held in an ISA. If you wish to hold Bonds in a SIPP, you will need to check with your SIPP provider whether or not they can accommodate them and take your own independent tax advice on their inclusion.

Can I give a Bond to someone else?

Bonds are fully transferable after the third year and therefore can be given or sold to anyone who is eligible to be a bond holder.

See the FAQs section on the JEIP website for details.

What charges are there?

ICP is paid a one off promoter fee of £105,000, assuming a successful raise. JEIP may pay staff costs up to an annual value of 0.5% a year of the amount raised. This is for the ongoing administration of the Bond including paying your Interest, providing information about performance, and fielding in the first instance questions you may have about your investment. Otherwise, there are no charges for opening an account or for depositing cash. There will be a small administration fee for buying or selling an existing Bond. The estimated effective rate of return quoted in this document is after JEIP's annual costs and ICP's promoter fee.

How do I sell?

Bonds are transferable in accordance with the Bond Terms and Conditions and can be sold to anyone who qualifies to hold a Bond (see "Investor Eligibility" above), after an initial period of three years. Sellers can find potential buyers by posting an expression of interest to sell on JEIP's Bulletin Board, which can be viewed by anyone. There are no guarantees that there will be any buyers or sellers of Bonds at any particular time.

The buyer will need to register with JEIP if they are not already registered in order to demonstrate that they are eligible to invest. There are no charges for posting an expression of interest or for opening an account